GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:234
ANSWERED ON:14.03.2008
CAPTIVE POWER GENERATION
Singh Shri Suraj;Suman Shri Ramji Lal

Will the Minister of POWER be pleased to state:

(a) whether the present power generation capacity of various captive power plants in the country is much higher than their installed capacity;

(b) if so, whether the surplus power generated by the captive power plants is not being fully utilized in the country;

(c) if so, the reasons therefor; and

(d) the steps taken by the Government in this regard?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) to (d) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF STARRED QUESTION NO. 234 TO BE ANSWERED IN THE LOK SABHA ON 14.03.2008 REGARDING CAPTIVE POWER GENERATION.

(a) to (c) : No, Sir. The generation capacity of captive power plants in the country has not been higher than their installed capacity. According to information available with the Central Electricity Authority (CEA), surplus electric energy to the extent of about 5200 Million Units (MU) has been exported by such captive power plants to the utilities during the year 2006-07.

The installed capacity of industrial sector captive power plants of more than 1 MW was about 22,300 MW as on 31.3.2007. The power generation from the CPPs during 2006-07 was about 81,800 million units (MU) which is 11% higher compared to the previous year, at an average Plant Load Factor (PLF) of about 41.80%. Additional generation is possible in case of higher PLF being achieved by these plants and surplus being fed into the grid. It is estimated that about 24,300 MU of additional generation could be realized from steam and gas based captive power plants in case their average PLF is raised to 75% and 80% respectively.

(d) : The government has taken various legislative, policy and administrative measures to facilitate captive generation and utilization of surplus capacity.

Under the Electricity Act, 2003, captive power plants, including group captive, have been freely permitted. The Act provides that any person may construct, maintain or operate a captive generating plant and dedicated transmission lines. Under the provisions of the Act, every person, who has constructed a captive generating plant and maintains and operates such plant, shall have the right to open access for the purposes of carrying electricity from his captive generating plant to the destination of his use subject to the availability of transmission capacity.

National Electricity Policy, notified in February, 2005, emphasizes the need for bringing surplus capacity available with a large number of captive and standby generating stations in India to the grid continuously or during certain time periods.

Tariff Policy, notified in January, 2006, recognizes that captive generation is an important means to make competitive power available and urges the Electricity Regulatory Commissions to create an enabling environment that encourages captive plants to be connected to the grid.

The Conference of Chief Ministers on Power Sector Issues held in May, 2007, has resolved to facilitate captive power plants to provide the spare generating capacity to the grid and strive to do away with restrictive levies, duties and regulations in a time bound manner.

Ministry of Power has been actively involved in moderating the charges / duties on open access, cross-subsidy, etc. Various conferences and seminars with the stakeholders have been held to evolve consensus and expedite action on the concerned issues, the latest being the Round Table of Forum of Regulators held on 5.11.2007 and the Conference of Chief Secretaries on Power Sector Issues held on 19th February, 2008.